

Nordregio policy brief 2024:1

Between hand-outs and stand-outs: Opportunities for policy support for just green transitions

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Executive summary

The accelerating impacts of climate change, the need to adapt to changing economic and political realities, and the recent energy crisis have made the green transition something that most Nordic citizens acknowledge as necessary. Since renewable energy production is more decentralised than fossil fuel or nuclear energy production, it significantly impact landscapes and land use, placing the Nordic rural regions at the forefront of green transition goals. However, there are already signs that the transition process will treat urban and rural regions unequally and leave regions that are already marginalised further behind. Recent citizen surveys demonstrate that people living in rural regions also sense this. As a result, we struggle to conduct just green transitions, which puts the work for achieving climate goals at risk (e.g. Rodríguez-Pose & Bartalucci 2023; Tapia et al. 2023; Ovaska & Vihinen 2020).

How can we ensure more just green transitions in rural regions? This policy brief is based on case study work in the project *Just Green Transition in rural areas: local benefits from value creation*, which set out to examine what kind of benefits would generate value from green transition measures in the direct impact zone of new energy projects. The case studies took place in three Nordic countries and six locations: in Northern Ostrobothnia and Northern Central Finland of Finland, involving wind power and land use planning; in Nord-Fron and Nord-Odal in Norway, involving both wind power and strategic sustainability work; and in Skive and Bornholm of Denmark, involving a hybrid mix of renewable energy sources in the context of industrial park development.

The results highlight the importance of considering local needs and, crucially, involving the community in planning and implementing green energy transitions

right from the start. If new green energy projects were always owned by local or regional cooperatives and produced energy mainly for local use, it would not be that difficult to have people feel a sense of ownership towards these projects. However, this is often not a realistic scenario. A project like the municipally initiated green industrial park of GreenLab in Skive, which has since its establishment become a stand-out example for similar rural regions to follow, is difficult to copy without considerable public investment. Is there a way to carve out more living space for local action, even in municipalities without major resources?

The recommendations of this policy brief seek to offer ways to answer this question to overcome typical problems weighing on green energy projects and to foster a sense of justice rooted in the local lived realities. They suggest:

- emphasising early engagement and transparent communication and promoting only realistic visions to map out all the possible impacts of a new energy project and make engaging local communities more genuine;
- for municipalities to help establish joint negotiation tables and information sharing between public actors as a way to diversify compensation schemes and pressure energy companies for more inclusive approaches;
- discover ways to make also non-monetary, non-quantifiable benefits of green transitions such as social well-being and municipal attractiveness visible;
- to discover and utilise the small size of a rural municipality for benefit by tapping into the potential of already active citizen movements, possible small-scale projects, and more flexible ways to handle public affairs that it allows.

The policy brief concludes by pointing out that rural areas in Nordic countries are facing several interlinked transitions and related challenges simultaneously: the green transition, digital transition, and adaptation to population decline and lack of workforce, to name a few. In this situation, it is important to remember to cooperate across sectors and policy-making silos to align resources and address the whole spectrum of actors and stakeholders impacted by the green transition.

Finally, we need to review what justice is in the context of rural green transitions. Only certain aspects of it are considered in the current regulations and impact assessment processes. When we acknowledge this and open up the processes surrounding new energy projects from their very first steps, we may notice that the capital regions should catch up with rural regions, not the other way around.



Sammanfattning

De allt snabbare effekterna av klimatförändringarna, behovet av att anpassa sig till förändrade ekonomiska och politiska realiteter och den senaste energikrisen har gjort den gröna omställningen till något som de flesta nordiska medborgare anser vara nödvändig. Eftersom produktionen av förnybar energi till sin natur är mer decentraliserad än förbrukningen av fossila bränslen eller kärnkraftproduktion, har den en stor inverkan på landskap och markanvändning, vilket placerar de nordiska landsbygdsregionerna i täten för att uppnå den gröna omställningen. Det finns dock redan tecken på att omställningsprocessen kommer att behandla stads- och landsbygdsregioner olika och lämna regioner som redan är marginaliserade ännu mer på efterkälken. Nya opinionsundersökningar visar att människor som bor på landsbygden också känner av detta. Som ett resultat av detta är det svårt för oss att genomföra rättvisa gröna omställningar, vilket i sin tur äventyrar arbetet med att uppnå klimatmålen (t.ex. Rodríguez-Pose & Bartalucci 2023; Tapia et al. 2023; Ovaska & Vihinen 2020).

Hur kan vi säkerställa en mer rättvis grön omställning på landsbygden? Denna policy brief är baserad på fallstudier i projektet Just Green Transition in rural areas: local benefits from value creation, som undersökte vilken typ av fördelar som skulle uppstå genom åtgärder för grön omställning i den direkta påverkanszonen för nya energiprojekt. Fallstudierna genomfördes i tre nordiska länder och på sex platser: i Norra Österbotten och Norra Mellersta Finland som omfattade vindkraft och markanvändningsplanering; i Nord-Fron och Nord-Odal i Norge som omfattade både vindkraft och strategiskt hållbarhetsarbete; och i Skive och Bornholm i Danmark som omfattade en hybridmix av förnybara energikällor i samband med utveckling av en industripark.

Resultaten visar hur viktigt det är att ta hänsyn till lokala behov och framför allt att involvera samhället i planeringen och genomförandet av gröna energiomställningar redan från början. Om nya gröna energiprojekt alltid ägdes av lokala eller regionala kooperativ och producerade energi främst för lokal användning skulle det naturligtvis inte vara så svårt att få människor att känna ett ägarskap för dessa projekt. Detta är dock ofta inte ett realistiskt alternativ. Ett projekt som den kommunalt initierade gröna industriparken GreenLab i Skive, som sedan starten har blivit en typ av framstående exempel för liknande landsbygdsregioner att följa,

är svårt att kopiera utan betydande offentliga investeringar. Finns det något sätt att skapa mer handlingsutrymme för lokala initiativ, även i kommuner utan betydande resurser?

Rekommendationerna i denna policy brief strävar efter att besvara denna fråga och lösa typiska problem kopplade till gröna energiprojekt samt att främja en känsla av rättvisa förankrad i lokala realiteter. Rekommendationerna föreslår:

- att betona tidigt engagemang och transparent kommunikation, samt att endast främja realistiska visioner för att kartlägga alla möjliga effekter av ett nytt energiprojekt och göra engagemanget i lokalsamhällena mer genuint;
- för kommuner att hjälpa till att upprätta gemensamma förhandlingsbord och främja informationsutbyte mellan offentliga aktörer som ett sätt att diversifiera kompensationssystem och pressa energibolagen för mer inkluderande tillvägagångssätt;
- att hitta sätt att synliggöra även icke-monetära, icke-kvantifierbara fördelar med gröna omställningar, såsom socialt välbefinnande och kommunal attraktionskraft;
- att upptäcka och utnyttja landsbygdskommunernas mindre storlek och utnyttja potentialen hos redan aktiva medborgarrörelser, möjliga småskaliga projekt och mer flexibla sätt att hantera offentliga angelägenheter.

Policy briefen avslutas med att konstatera att landsbygdsområdena i de nordiska länderna står inför flera parallella, sammanhängande omställningar och relaterade utmaningar: den gröna omställningen, den digitala omställningen och anpassningen till befolkningsminskning och brist på arbetskraft, för att nämna några. I denna situation är det viktigt att komma ihåg samarbete över sektorer och politiska gränser för att anpassa resurser och rikta in sig på hela spektrumet av aktörer och intressenter som påverkas av den gröna omställningen.

Slutligen måste vi se över vad rättvisa innebär i kontexten av den gröna omställningen på landsbygden. Endast vissa aspekter av detta beaktas i de nuvarande bestämmelserna och konsekvensbedömningsprocesserna. När vi accepterar detta och öppnar upp processerna kring nya energiprojekt kanske vi märker att huvudstadsregionerna bör komma ikapp landsbygdsregionerna, inte tvärtom.

Background: Barriers in the way of Just Green Transition

Most cases discussed featured green energy projects that rely on heavy land use and large changes in landscapes, namely wind parks. Thus, most discussions focused on navigating the concept of justice in a situation where the impacts of a transition are multifold and often indirect. Nordic legislation has clear regulations for reviewing the impacts and related compensations. Still, often, they rely on monetary compensations paid only to people owning land in the direct impact zone of the energy installation. In addition to the property tax, there may be some community benefits, such as building a new sports facility for the village. These types of benefits easily appear as hand-outs. If, in addition, we have a situation where green energy projects begin with very optimistic rough scenarios regarding, e.g. job creation or impact on the local economy, the following disappointment of actual benefits then endangers social acceptance of all renewable energy projects in the future. Other barriers concern making more abstract goals, such as environmental concerns or climate action, more concrete and relevant to the local experience. In sum, processes involving new energy installations should be better designed to decrease mistrust so that the weight of national ambitions would not only fall on municipal resources.



Policy recommendations by problem

1. Planning process

At the initial planning stage, municipal leaders and possible commercial actors interested in the region may begin the engagement and communication process before any agreements have been made. This action engages local communities, landowners and recreational groups but can also reach out to a broader range of active citizens and researchers via online platforms.



2. Communication process

Once a plan and impact assessments are completed, it is important to communicate it with as realistic visions as possible – both in terms of positive and negative impacts. This action should engage both people living and moving in the broad impact zone of the new project, as well as local businesses.



Promoting Realistic Visions

Problem: a sense of powerlessness leading to heavy resistance

Who: national and regional politicians

Realistic expectations when envisioning local economic benefits help build trust. Realistic assessments of impact (e.g. noise) help prevent resentment in the future, even among opponents.

3. Agreement process

Before agreements are drafted between the municipality, landowners and energy companies, municipalities can act as bridge builders between landowners or other municipalities to review agreements and discuss how to consider better the total impact that new energy projects will have on the local community. This action engages especially municipal servants and landowners.



Joint negotiation tables and cooperation on agreements as a way to diversify compensation schemes

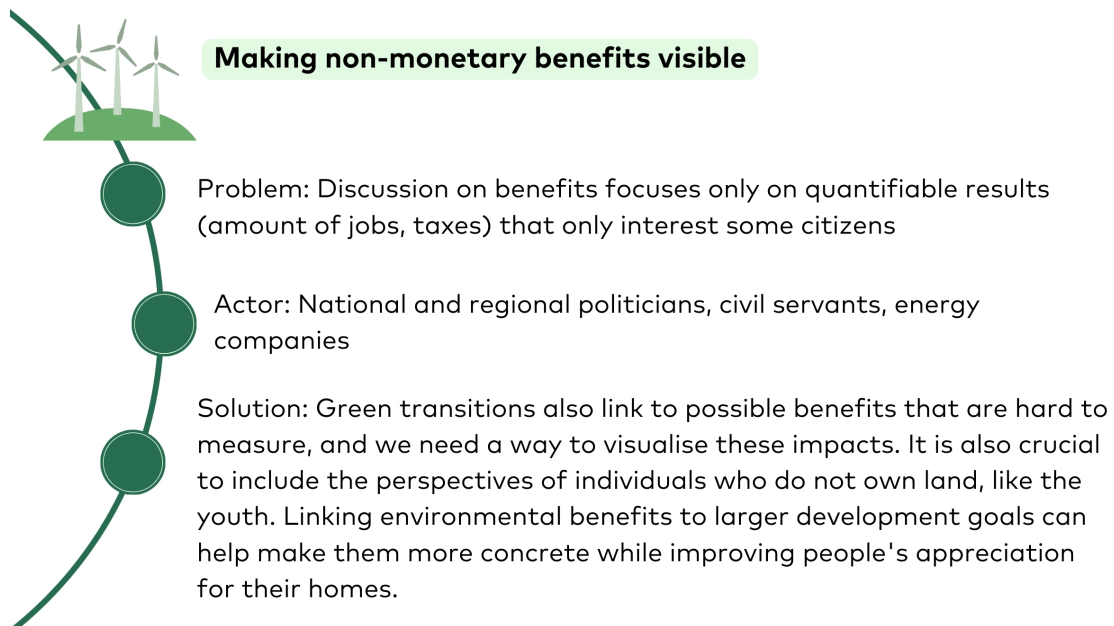
Problem: Direct monetary compensations are divisive and may appear as pay-offs

Actor: Regional politicians and municipal workers

Solution: Landowners can review agreements together to negotiate terms of compensation before the final decision on location is made, ensuring impartiality. Municipalities can share information to have more leverage to push energy companies to offer wider compensation schemes or community development strategies.

4. Review process after construction

When some time has passed, and it is possible to review how the expected local benefits of the new energy project materialised, researchers and municipal leaders active in this process can think more creatively and inclusively to identify and visualise the range of possible benefits that green transitions may bring to the local community. Aiming for also these benefits may then be better included in the planning processes of the next energy projects. This action engages the whole community living in the region.



5. The whole green transition process

As the Nordic nations aim to discover new ways to accelerate the green transition to meet their climate goals and also support rural development with increasingly place-based approaches, it is essential that national-level politicians stop considering the agency and actions already existing in these regions and not overlook it based on a smaller scale. This action engages all Nordic citizens.



About this publication

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Policy brief based on Case Study Report "Can local value creation induce a sense of justice during green transitions? A study of six rural areas in Denmark, Finland, and Norway"

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